

**Address by Maureen O'Neil  
to the  
Group of 78  
20<sup>th</sup> Anniversary Conference  
*"Change and Challenge to  
Canadian Security Policy 1981-2001"***

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Good afternoon to you all, and thank you for your welcome. I am most grateful for your invitation to join you in this relaxed and lovely setting. I should say at the start that what I have prepared today is intended not so much as a speech but as thoughts for a conversation among friends. And I will be brief, because I look forward to taking part in that conversation with all of you.

This is a timely conference, and not just as a celebration for the Group of 78. It occurs at a time when Canadians, and the Canadian government, have been shocked and terrified by the bombings in New York and Washington. However, even before that there is the beginning of a rethink of the fundamentals of Canadian foreign policy, and the changes that have overtaken us since the last white paper of 1995.

These changes are usually described (and often lamented) under the heading of globalization. The globalization generally described is assumed to be a powerful complex of forces remote from the popular will of ordinary people, and somehow beyond regulation or management by democratic governments. I want to contest some of these assumptions.

In fact, I dispute them. Just as the fault, dear Brutus, is not in our stars, most of our troubles do not, for the most part, originate in any malign destiny inherent in globalization. On the contrary, my view is that most of the evils and difficulties presented by globalization are best answered close to home—by each country in question—in the quality of domestic politics, domestic policy, domestic governance. As a general rule, good government trumps the bad in globalization—and makes the best of globalization, by exploiting the knowledge and opportunity that globalization can generate.

You will be relieved to know that I am not about to explain globalization, or even define it. Screeds have been written on the subject, and some of you have addressed this very subject with eloquence and insight. I will only observe the obvious: that the forces of globalization are riddled with paradoxes and contradictions. Globalization impoverishes and it enriches. It empowers and disables. It connects people around the world, in the TV we watch, the movies we see, the music we hear and the ideas we share. And it

divides people too—generation from generation, fundamentalists from modernists, secessionists from centralizers, poor from rich. And it provides rich opportunities for both good and evil.

That is all to say that globalization is neither monolithic nor irresistible. Its features are alterable, remediable, and even in some respects reversible. The very power of globalizing action tends to inspire reaction. Certainly in the democracies, there is now a strong countervailing voice insisting—as Denis Stairs has written—that “governments have obligations that go far beyond the service of freewheeling economic exchange,” and that they have, as Stairs put it, “a responsibility to deal also with the individual and communal casualties” of global capitalism.

And here I return to my main point. Rescuing the casualties of globalization—and, I would add, benefitting from the rich opportunities—will hang principally on the quality of domestic governance, including the will and capacity to deal with non-state actors. I hope we will come back to this in discussion. Much has been made of the so-called democratic deficit evident in international institutions, whether in the WTO or the IMF, or the G8 or the big transnational corporations. But for most of the world’s people, the worst democratic deficit is the one that afflicts their own domestic governments.

With that in mind, let me turn specifically to the four important topics you have highlighted in the design of your conference: peace, economy, governance, and the environment.

Peace first. I would put this under the heading of “How times change”. Two months ago there was an arresting story in the *Globe and Mail* about a growing new effort in the Pentagon to develop a non-lethal weapons program. Research is still in its early stages. But the U.S. Department of Defence is experimenting with things like stink bombs that would break up crowds without hurting anybody; sticky-foam throwers, that immobilize their targets with stuff described by one officer as “like bubble-gum, sort of”; and grenade launchers, modified to fire little rubber balls or beanbags. All this was explained by a Marine captain quoted by the *Globe*. “The world,” he said, “has become a much more humanitarian place for everybody.” It’s truly a new world when the Pentagon applies its vast resources to the deployment of bad smells and rubber balls.

Even though the people working on this are surely not getting a hearing now, this little story demonstrates two truths, I think. The first is that huge and powerful institutions actually *do* change, no matter how reluctantly. And if we had been talking right after Genoa, I might have said this shows that. The second is that even the Pentagon has come to perceive the new threats it faces. It is not news to the Group of 78 that this is the world of Somalia and Rwanda, Kosovo and Timor, and Afghanistan. It is a world where threats to the peace, more often than not, are rooted in failures of domestic governance or in effective ways to manage local issues of peace and equity and justice. The remedies to these failures, and this was even apparent in George Bush’s last speech, are not “traditionally” military, even as response or retribution. Instead, they summon us to

better ways of governance and to dramatically increase serious thinking about dealing with the continued preaching of hatred. We have thought more about the aftermath of targetting groups or categories of people. But not whole nations.

For the former, a legacy of World War II, that means new or improved international institutions—more open, more responsive, more effective. I'm thinking of the International Criminal Court, or the changing norms of impunity for the likes of Pinochet and Milosevic. But for the latter, it surely means developing stronger and more legitimate rules of international intervention and redefinitions internationally of the common prohibition in domestic law against uttering threats—saying “I want to kill you” can bring a criminal charge here.

But these threats to the peace concentrate our minds especially on the development of sustainable democratic government. To put it plainly, people need an effective and knowledgeable say in the institutions that govern their lives. This is a matter of fairness, and of function. Fairness, because a poor person is just as entitled to a voice in the affairs of governance as any well-connected rich person. Function, because government that is open, participatory and accountable in its deliberations and decisions simply works better.

We know all too well the outcomes of bad and undemocratic governance: economic decline, bloody conflict, environmental ruin, and the advent of closed systems like radical religions that reject the ordinary—I commend Ian Brown's article in this morning's Globe. These are failures that cannot be corrected without a broader and better-informed participation by people in their own governments. And exclusionary religion rejects government, viz. Christian fundamentalists. And democratic government has a special relevance to conflict prevention. I refer you to the research of Bruce Russett and others on the “democratic peace,” and the compelling finding that settled and stable democracies by and large don't make war on each other.

As for domestic peace, a successful democracy practically by definition is a country that has created the capacity to protect and advance human rights, foster equality, and encourage peaceful change in its political and economic life. Building that capacity constitutes an important part of development—and ought to become a larger part of Canadian foreign policy and development assistance. We have done significant experimenting now and need to understand what we have learned. But we have not really tackled religion and I am anxious to hear what your thoughts are on that.

The second topic highlighted for this conference is the economy—embracing issues of poverty, equality and population. Here too, the impact of globalization on a particular society or community depends crucially on the quality of domestic policy. I don't exaggerate when I say that domestic policy and governance can make *all* the difference in the local effects of globalization.

The overwhelming weight of empirical research—some of it supported by IDRC—confirms this proposition. Let me quickly cite two examples.

In Latin America, we and others have underwritten research exploring the effects of trade and investment liberalization on environmental quality. As you know, the polemics on this issue have been fierce. One side argues that freer trade and capital flows spawn higher industrial production, more intensive resource exploitation, and competitive incentives to relax environmental standards and enforcement. The other side contends that trade brings competition, therefore more efficiency and less waste; that it brings access to clean technologies; that it leads to higher incomes, stronger political demand for environmental standards, and greater capacity to secure those standards.

Who's right? The research so far shows that these causal connections can cut either way. The difference, judging by all available evidence, lies in the quality of domestic government. Policy-making that is transparent, participatory and informed yields the best results.

Another example: Originally in the Philippines and now in more than a dozen countries across Asia and West Africa, IDRC has supported a project of research, training and policy advice on the impact of trade and other macroeconomic policies on the local well-being of communities. Here we are concerned mainly with the effects of policy on the poorest and most vulnerable in any society. (It is a project known by the acronym MIMAP, for Micro Impacts of Macroeconomic and Adjustment Policies.) Again to summarize, the latest findings in this work are that trade liberalization itself has much less impact on poverty than specially targeted domestic tax policy. In other words, macro-policy can be modified to mitigate the harms of liberalization, and to distribute the gains more fairly. To repeat myself: Globalization and economic liberalization are not necessarily impoverishing forces. These are forces that can serve to reduce poverty, given the right kinds of governance. Putting things the other way round, poverty reduction is recognized more and more as an issue of good governance.

This brings me directly to the third topic specified for your conference: governance itself, at the UN and elsewhere. I will tell you frankly that I find it hard to expect, as a generality, that the UN will consistently do the right thing (as we Canadians see it) while the Security Council is structured as it is, and while so many of the UN's member governments remain non-democratic. Prospects for Security Council reform (on which I claim no expertise) seem to me unlikely insofar as they require amendments to the UN Charter. At the same time, procedural reforms of transparency and agenda-setting—on which Canada has been commendably active—are all to the good, however limited they may be.

From these rudimentary facts I draw two proposals. First, Canadian energies at the UN should aim to enlist the support of the quick-witted and the vigorous among other UN delegations. I say this because most governments lack either the resources or the interest

(or both) for sustained attention to UN diplomacy. This places a very high premium on the personal talents and inclinations of ambassadors on post in New York. They are not, most of them, getting useful telegrams of analysis and information from home; they're on their own. But the best of them can be signed up in willing coalitions with Canada and others, on the side of innovation and activism.

My second proposal is simply this: To the degree that governments improve nationally, so will the UN. For example, as more governments build civil services based on merit instead of patronage, the UN too can build a genuinely merit-based civil service. And as the UN's own capacity thereby improves, so member governments will find reason to fund it more adequately. All of which makes an argument for persistent support of UN operational reforms—and an acknowledgement that our support will have to be patient.

The final topic you have highlighted for discussion is the environment. And in this realm we see perhaps the most dramatic demonstration that our futures will be determined by the quality of our governance. I have already stressed the decisive importance of domestic governance in these matters; I will not belabour the point. In addition, however, environmental issues raise urgent questions of transborder governance. Nowhere is this shared challenge more pressing than in the case of global warming.

Indeed, the science, economics and politics of climate change illustrate our approaches to international governance at their worst—and at their most promising. The Kyoto Protocol should be taken as instructive evidence that bad process yields bad effects: governments making ill-informed and ill-prepared commitments that could not be kept. In the latest agreement on implementation, we might have barely saved ourselves from our own earlier mistakes. That remains to be seen. But the fact of those procedural mistakes is undeniable, whether one supports the objectives of the treaty or not.

For a much better example of process, I would simply mention the Intergovernmental Panel on Climate Change—the IPCC. The IPCC was first set up in 1988, by the World Meteorological Organization and UNEP, the UN Environment Program. As its name says, this is a panel of governments. But what is interesting about the IPCC is that it brings together a potent mix of government experts, academics and NGOs, in a network of information-gathering and analysis. The role of the IPCC, in other words, is to inform policy-making with the extremely scarce resource of agreed facts and tested analyses—all bearing on human-caused climate change.

I describe the IPCC because I believe this sort of purpose-built network—crossing disciplines and borders to get at the facts and develop consensus—represents an important new phenomenon of governance. This is governance that goes beyond governments, to be better informed, more inclusive, more legitimate and more successful. This is the kind of network that negotiated and now implements the Landmines Treaty. Another remarkably productive network has been developing better policies and procedures for deciding on the construction of big dams, for hydro and irrigation. And to mention one more example, I've been involved in a network known as International

IDEA, the Institute for Democracy and Electoral Assistance. Created in 1995 by a group of 14 democratic governments, IDEA now consists of 19 governments as members, along with four international NGOs as associate members. But it has active co-operative agreements reaching even further afield, to groups like the International Commission of Jurists, the Inter-Parliamentary Union, and the International Union of Local Authorities. It is precisely this fluid, functional pattern of collaboration that imparts real utility to networks like IDEA, and infuses them with an authority available in no other way.

Finally, allow me two short observations on Canadian foreign policy.

To see the future, let's look back. Over many decades, Canada's approach to the world has been, in its basics, strikingly consistent. In our trade policies, aid programs, and in foreign and defence policies, successive governments and Parliaments have engaged the world. (Here I agree with John English, who has argued that Lloyd Axworthy and his human security agenda was a comfortable fit in the Pearson-Liberal tradition of Canadian foreign policy.) I don't say we have always acted or invested well or adequately in this engagement; sometimes, we have not. But over the long run we have understood that Canadian well-being is contingent on the state of the world.

Having said that, there is no doubt that failures in recent years to finance Canadian foreign policy, and development aid policy, have damaged our credibility and our capacity. If soft power means leading others to want what we want, it rests entirely on our abilities to make a case based on the best information and analysis available anywhere—and then to invest real resources in exemplary solutions. Without a serious enhancement of our foreign policy capacity, we will have little to offer the world except sanctimony.

Second point: As for a new white paper on foreign policy, I would say that its drafters have been plunged into the world we feared would come. Nonetheless, such a review will have to address the challenges I have mentioned—and the primacy of good domestic governance. The challenges of truly supporting human rights, of dealing with the unchecked preaching of hatred so aided by easy communication. These behind-the-border issues of democracy, economic equity, human rights and sustainable development are the issues that will ultimately decide our future as Canadians. They are the proper subjects of a Canadian foreign policy that answers to our interests, and to our values as citizens of the world.

I have been, I think, almost brief. Now let's have that conversation. Thank you.